

Gift Cards

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NATIONAL MERCHANT CENTER



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www.nationalmerchant.com



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Welcome to Gift Cards

Gift cards allow businesses to increase revenues, build customer loyalty, attract new customers and reduce losses associated with paper gift certificates.

Gift cards replace paper based gift certificates as the perfect gift for friends and family, but more importantly serve as a retention tool. Businesses work tirelessly to attract new customers and keep them satisfied. By adding gift cards, merchants can ensure repeat business from both the customer and the recipient of the gift card.

How the gift card program works

- Customer comes into the store and purchases gift cards for themselves or friends.
- Customer decides the dollar amount to load on the card. The merchant keeps the money in their bank knowing that the gift card will be redeemed in the future.
- Recipient of the card can use the card to make purchases which requires them to return to the store to use the card. Purchases usually exceed the amount of the gift card.
- Merchant and customer can track card balances online.
- Customer has the option to reload the card.
- Processing the transactions is very similar to credit card processing.

Gift Card Express Package:

The Express Package is designed to get the merchant started with everything they will need to handle process gift cards. National Merchant Center has launched a comprehensive \$129 package that includes 100 custom designed gift cards, a merchandising package, 1st month of processing and free web base reporting. Thereafter pay only \$29 per month for up to 200 transactions per month.

Gift Card Full-Service Package:

Designed for merchant as an “a la carte” program. You establish the merchant’s transaction rate and the merchant pays for the services on a transaction basis. Merchant statement and card orders are individually priced.

Features

- Real-time reporting of card activity
- Obtain information on outstanding balances of gift cards issued
- Cardholders can check their balances online
- Ability to place maximum values on cards
- Cards are reloadable
- In-house graphic design
- Quick turnaround for approvals and processing



You can get started today!



Why Gift Cards?

Gift cards come with a large array of benefits. It is important to understand how the merchant fully benefits from offering the program. Benefits begin the first day that the merchant begins issuing cards.

There are obvious benefits, some of which include:

- #1 gift choice year-round
- 56% of card recipients spend more than on the card
- 139 million US adults purchased or received a gift card
- Merchant collects and keeps the money upfront. 10% – 15% of the value of the card is never redeemed.
- Great marketing tool
- Easier than carrying cash
- Integrates with current credit card processing solution
- Use current POS equipment

Features

- Real-time reporting of card activity
- Obtain information on outstanding balances of gift cards issued
- Cardholders can check their balances online
- Reloadable cards
- Order custom cards in small quantities

If you are still not convinced, here are some more reasons:

- 64% of national shoppers said they intend to buy gift cards
- Rising popularity of gift cards partly stems from today's time-pressed consumers. As a result, 38% of respondents said the availability of gift cards was extremely or very important in determining where they would shop this season.
- Retailers switching paper gift certificates to magnetic stripe prepaid cards realized a year over year sales jump of 15% to 46% on prepaid cards.

Merchants all over are seeing the benefits in the program. In today's market, the gift card program can provide a whole new stream of income and help the merchant bring in clients that quite possibly never would have come in the store.



Selling Gift Cards

Gift cards are a hot topic for many merchants but it is important to understand the right way to present the gift card program and its full potential. Merchants benefit for many reasons, namely:

- Brings in a new customer that will usually spend more than value of the card
- Generates greater repeat business
- Merchant collects the money in advance. 10% – 15% of cards values is not redeemed
- Powerful marketing tool

Why Sell It?

- Generate more income for you and your merchants
- Use it as a lead in to sell merchant services
- Statistics show that you are 4 times more likely to retain customers for credit card processing if a gift card program is in place.
- If you don't sell it, your merchant is wide open to a competitor. Why allow your competitors to have your merchant?

Industries to market to:

- Restaurants
- Spas /salons
- Coffee houses
- Specialty retail stores
- Hotels
- Carwashes
- Clothing stores
- Bars / Nightclubs
- Hotels

Gift cards are used all year round

- Birthday gifts
- Wedding gifts
- Holiday gifts
- Mothers/Fathers Day
- Charity auctions
- Store refund
- Employee bonus
- Provide your children with gift cards to stores that you want them to shop such as the local book store, clothing store, and or supermarket instead of the places that you don't want them spending your money



Selling Gift Cards (continued)

Merchant sales tips:

- Don't let your merchants miss out
 - Gift card sales are expected to be \$54 billion in 2004
 - Each consumer is expected to purchase 4.7 cards this year
- Increase revenues
 - 56% of recipients spend more than the initial value on the card
 - Customers return to store to make another purchase
 - Brings new customers to your business
 - 10% – 15% of card values are not redeemed
 - Increase cash flow, collect funds upfront
- Customized marketing
 - Merchants learn customer spending habits
- It is as easy as processing credit cards and many times you can use the same equipment. Merchant and customers can view all activity and reports online
- Our superior products, customer service, and quick turnaround assures you that this will be significant success story to your sales staff
- We have the expertise and know how to create any type of program. Let us help you design a program that makes sense for your customers

Don't accept no as an answer!

- "No one has an interest in electronic cards"
 - 139 million people purchased cards in 2004
 - New technologies allow small merchants to offer cards
- "Gift cards are very expensive"
 - Merchant can make a profit even if they sell only 50 cards per year
 - This is a revenue source because it brings new customers to you
 - Customers are less price sensitive with stored value cards than with their own money
- "I don't want to purchase new equipment"
 - Our program is compatible with many different types of terminals, most likely the one you use to process credit cards will work
- "I have a successful business and don't need to market more"
 - It is great to see that you have a successful business but wouldn't you like to take your business to the next level

You would ask:

- How frequently do your customers shop with you?
- Don't you want your customers to refer new customers to you by providing a gift card with your store logo? The value of the card can only be spent at your store.

Sales Process

- Complete sample form including artwork
- Complete order form
- Download terminal
- Merchant is ready to accept cards
- Start collecting monthly residuals and increase your merchant retention

The gift card program has all of these benefits and more. Keep in mind that the gift card program can be a great lead in, but more importantly gift cards coupled with credit card processing enable us to service more of the clients needs and become more involved in their business. This creates a relationship that is much harder to move away from, creating an additional feeling of loyalty toward the agent and a significantly higher retention rate.



Refund Cards

Refund cards can serve as a great way to satisfy customers without giving them cash to use at another store. The merchant can use the reloadable gift cards as a method of providing a refund to the customer. By giving the customer a return gift card, a merchant can be assured that they will use the amount of the refund to acquire another product from them instead of spending those dollars elsewhere. Using reimbursement cards for refunds and returns in place of cash or time-consuming merchandise credits, guarantees customers will return to your store.

You no longer have to give cash back for partially used gift certificates

- Very often 10-15% of the card value is left on the card
- 56% of recipients spend more than the initial value on the card
- Electronic tracking system to better manage credits given to your customers
- Retailers switching from paper gift certificates to magnetic stripe prepaid cards realized a year over year sales jump of 15% to 46% on prepaid cards.

(Standard Register's 2001 "Survey of National Retail Card Issuers")

Example:

A client has a dispute about a product or service. The merchant, wanting to satisfy the client, has a few options. The merchant can reimburse a customer with cash, which the customer may take and spend elsewhere. The merchant may also issue store credit, so that the customer may return and apply the refund toward any product in the store which may take a while to process and is difficult to track. Lastly, the merchant may hand the customer a refund card, which the client may use towards the purchase of all store products on their next visit. This card will store all information electronically so that the merchant and customer can view all purchasing activity and balances online. It is much more convenient, reliable, efficient and secure to hand a client a refund card than issue store credit because a client has the option to not only spend the full value of the card, but reload it and become a gift card client.

You can get started today!!



Agent Profitability

Merchant & Agent Profits

Merchant Stored Value Sales

Base on annual sales of 500 gift cards

Revenue:

Estimated card value of \$50 multiplied by 500	\$ 25,000.00
Customer exceeds value of each card by \$10	5,000.00
Total sales	<u>\$ 30,000.00</u>

Card breakage 12.5% (average)	12.5%
Card balance not used on card	3,750.00
Sales (Card balance left on the card)	26,250.00
Profit @ 25%	6,562.50
Net merchant income	<u>\$ 10,312.50</u>

Stored Value Program Costs

Custom Card Package Costs	675.00
Monthly Processing Costs @ \$29 / month	348.00
Total First Year Cost	<u>\$ 1,023.00</u>

Merchant Profits

Net Merchant Income	10,312.50
Program Costs	1,023.00

Total Profitability	<u>\$ 9,289.50</u>
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Agent Profits

50% Commission Split	
Card Order - 500 Cards @ \$1.35 per card	125.00
Monthly Reoccurring Profit @ \$9.50	114.00

Total Agent Profit per Merchant	<u>\$ 239.00</u>
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Screen Shots – Merchant Reporting (page 1 of 5)

Stored Value Reporting system on www.nationalmerchant.com: Merchant Perspective

The screenshot shows a web browser window titled "Online Resource Center [NMC] - Microsoft Internet Explorer". The page has a menu bar with "File", "Edit", "View", "Favorites", "Tools", and "Help". The main content area features a large heading "Welcome to ONLINE RESOURCE CENTER" with the subtitle "COMPREHENSIVE REPORTING - MERCHANT RESOURCES & TOOLS - REAL TIME SERVICES". To the right, it says "Powered by NATIONAL MERCHANT CENTER" with the website URL "www.nationalmerchant.com" and a small globe logo. Below this is a login section titled "Please Enter Your Login Information". It includes a link "Need Help Login In?", a "USERNAME" field with the value "nmcmerchant", and a "PASSWORD" field with masked characters "*****". A note below the password field states: "Case sensitive. Contains 8-25 alphanumeric characters and at least one number, NO spaces." There is a "LOGIN" button with a globe icon. Below the login section is a box titled "Can't Login? Use Options Below" containing three links: "Forgot Your Password?", "Register to create a new login.", and "Call (800) 662-8448 or e-mail us for assistance." At the bottom of this box is a note: "NOTE: Internet Explorer 5.0 or higher is required to use this website." Below the note are three buttons: "NMC Main Website", "Terms of Use", and "Privacy Policy". The footer of the page contains copyright information: "Copyright © 1998-2006 National Merchant Center. All rights reserved. National Merchant Center is a registered ISO/MSP of Wells Fargo Bank, N.A., Walnut Creek, CA." and a security notice: "SSL Secured (128 bit)". The browser's status bar at the bottom shows "Done" and "Local intranet".

This is the home screen for merchants.

They will enter in their username and password to access their account and advance to the next screen.



Screen Shots – Merchant Reporting (page 2 of 5)

Address <https://www.nmconline.com/home.aspx>

Merchant#: 202001
National Merchant Center
 8855 Research Drive,
 Irvine, CA 92618
 (800) NMC-8448

[Sign Off This Account](#)
[Edit Merchant Profile](#)

[Home](#)
[Stored Value Cards](#)
[VISA/MasterCard](#)
[Debit Cards](#)
[Other Cards](#)
[Resources](#)
[Virtual terminal](#)

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Stored Value Card Summary

Period	Activation	Activation Amt	Recharge	Recharge Amt	Sales	Sales Amt	Bal Inquiry
1/11/2006	3	\$300.00	0	\$0.00	0	\$0.00	0
January, 2006	36	\$2,035.25	9	\$505.00	218	\$7,061.86	198
Year 2006	36	\$2,035.25	9	\$505.00	218	\$7,061.86	198
Total Active Cards:		11406					
Total Outstanding Balance:		\$160,835.14					

Visa/MasterCard Summary

Period	Transactions	Sales Amt
1/11/2006	0	\$0.00
January, 2006	2	\$5,077.64
Year 2006	2	\$5,077.64

Debit Card Summary

Period	Transactions	Sales Amt
1/11/2006	0	\$0.00
January, 2006	0	\$0.00
Year 2006	0	\$0.00

Other Cards Summary

Period	AMEX	AMEX Amt	Discover	Discover Amt	Other Cards	Other Cards Amt
1/11/2006	0	\$0.00	0	\$0.00	0	\$0.00
January, 2006	0	\$0.00	0	\$0.00	0	\$0.00
Year 2006	0	\$0.00	0	\$0.00	0	\$0.00

This screen allows the merchant to see an overview of their transactions processed. It breaks down the activity on multiple card types. In the stored value section the report will show a gift card summary including sales, number of cards and total outstanding balance.



Screen Shots – Merchant Reporting (page 3 of 5)

Address <https://www.nmconline.com/svccard.aspx?tab=2> Go

Merchant#: 202001
National Merchant Center
 8855 Research Drive,
 Irvine, CA 92618
 (800) NMC-8448

[Sign Off This Account](#)
[Edit Merchant Profile](#)

[Home](#)
[Stored Value Cards](#)
[VISA/MasterCard](#)
[Debit Cards](#)
[Other Cards](#)
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Reports | Lookup

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Location Report Type Date [Run Report](#)

Summary of Stored Value Cards - Monthly

Period	Location	ACTVN	ACTVN Amt	RCHG	RCHG Amt	Sales	Sales Amt	Bal Inq	RETN	Net Sales
Jan 2006	PASADENA, CA	13	\$685.00	0	\$0.00	64	\$1,916.12	55	\$0.00	(\$1,231.12)
	GLENDALE, CA	3	\$90.25	0	\$0.00	24	\$832.22	27	\$24.75	(\$717.22)
	SAN DIEGO, CA	6	\$140.00	0	\$0.00	31	\$886.98	15	\$20.00	(\$726.98)
	LA PALMA, CA	2	\$45.00	5	\$335.00	27	\$918.58	26	\$0.00	(\$538.58)
	ONTARIO, CA	1	\$25.00	4	\$170.00	72	\$2,507.96	75	\$90.00	(\$2,222.96)
	PASADENA, CA	11	\$1,050.00	0	\$0.00	0	\$0.00	0	\$0.00	\$1,050.00
Grand Total:		36	\$2,035.25	9	\$505.00	218	\$7,061.86	198	\$134.75	(\$4,386.86)

Stored Value Card 2006 Annual Sales - Per Location

Sales	Transactions
\$1,916.12	64
\$832.22	24
\$886.98	31
\$918.58	27
\$2,507.96	72

This screen provides monthly transaction information. The merchant is able to view activity by location through a centralized reporting system.



Screen Shots – Merchant Reporting (page 4 of 5)

Address <https://www.nmconline.com/svSummary.aspx?tab=2&type=2&id=237581&sDate=1/11/2006> Go

Merchant#: 202001
National Merchant Center
 8855 Research Drive,
 Irvine, CA 92618
 (800) NMC-8448

Sign Off This Account
Edit Merchant Profile

Home | **Stored Value Cards** | VISA/MasterCard | Debit Cards | Other Cards | Resources | Virtual terminal

Reports | Lookup

Powered by **NATIONAL MERCHANT CENTER**
www.nationalmerchant.com

Location: PASADENA, CA Report Type: Monthly Date: 1/2006 Run Report

Stored Value Summary Per Location

Trans Date	Activation	Activation Amt	RCHG	RCHG Amt	Sales	Sales	Bal Inq	Return Amt	Net Sales
1/1/2006	0	\$0.00	0	\$0.00	2	\$79.50	2	\$0.00	(\$79.50)
1/2/2006	0	\$0.00	0	\$0.00	3	\$36.37	3	\$0.00	(\$36.37)
1/3/2006	0	\$0.00	0	\$0.00	11	\$387.67	9	\$0.00	(\$387.67)
1/4/2006	2	\$80.00	0	\$0.00	7	\$103.30	3	\$0.00	(\$23.30)
1/5/2006	1	\$50.00	0	\$0.00	7	\$271.06	9	\$0.00	(\$221.06)
1/6/2006	5	\$175.00	0	\$0.00	10	\$284.40	4	\$0.00	(\$109.40)
1/7/2006	1	\$50.00	0	\$0.00	8	\$250.66	5	\$0.00	(\$200.66)
1/8/2006	1	\$30.00	0	\$0.00	11	\$340.31	14	\$0.00	(\$310.31)
1/9/2006	0	\$0.00	0	\$0.00	5	\$162.85	6	\$0.00	(\$162.85)
1/11/2006	3	\$300.00	0	\$0.00	0	\$0.00	0	\$0.00	\$300.00
Totals:	13	\$685.00	0	\$0.00	64	\$1,916.12	55	\$0.00	(\$1,231.12)

The online Resource Center enables merchants to view daily transactions and the ability to see how much sales are generated through stored value program.



Screen Shots – Merchant Reporting (page 5 of 5)

Address <https://www.nmconline.com/svDetail.aspx?tab=2&id=237581&sDate=1/6/2006> Go

Merchant#: 202001
National Merchant Center
 8855 Research Drive,
 Irvine, CA 92618
 (800) NMC-8448

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[Home](#) [Stored Value Cards](#) [VISA/MasterCard](#) [Debit Cards](#) [Other Cards](#) [Resources](#) [Virtual terminal](#)

[Reports](#) | [Lookup](#)

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Stored Value Card Transaction Detail for 1/6/2006 on 1/6/2006

Time	Transaction Type	Account	Clerk	Auth Code	Result	Transaction Amt
12:27:03	Activation	2002000000011931	0102	181116	APPROVED	\$30.00
12:28:22	Activation	2002000000011932	0099	181117	APPROVED	\$25.00
12:34:23	Sale	2002000000009885	0102	181118	APPROVED	(\$17.10)
12:59:17	Sale	2002000000010576	0102	181120	APPROVED	(\$48.71)
14:07:31	Activation	2002000000011933	0102	181127	APPROVED	\$40.00
14:34:55	Balance Inq	2002000000009788		181134	APPROVED	\$0.00
14:36:29	Sale	2002000000009788	0102	181136	APPROVED	(\$45.95)
14:38:59	Sale	2002000000009788	0102	181139	APPROVED	(\$8.00)
14:43:45	Balance Inq	2002000000011922		181142	APPROVED	\$0.00
14:44:47	Sale	2002000000011922	0102	181144	APPROVED	(\$34.64)
14:48:03	Sale	2002000000011922	0102	181145	APPROVED	(\$5.00)
15:56:28	Sale	2002000000010864	0102	181156	APPROVED	(\$15.00)
17:59:35	Sale	2002000000011403	0099	181175	APPROVED	(\$25.00)
18:01:39	Activation	2002000000011934	0099	181177	APPROVED	\$30.00
18:50:49	Balance Inq	2002000000010867		181187	APPROVED	\$0.00
18:52:24	Sale	2002000000010867	0102	181188	APPROVED	(\$50.00)
19:47:32	Activation	2002000000011935	0102	181196	APPROVED	\$50.00
21:14:19	Balance Inq	2002000000010960		181208	APPROVED	\$0.00
21:16:23	Sale	2002000000010960	0102	181209	APPROVED	(\$35.00)
Grand Total:						(\$109.40)

This is a daily account of all activity recorded that day.



Screen Shots – www.YourCardBalance.com

Gift Card reports on www.yourcardbalance.com – customer's perspective:

Stored Value Card Reporting Site - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Home Links Allakhz WoWDark WoWGen Thot WoW NMC Tasks

Address <http://www.yourcardbalance.com/> Go

Welcome to

Stored Value Card Reports

Please enter card number:

2066 0100

Submit Card

Done Internet

Cardholder login screen where the customer inputs the card number to access the site.



Screen Shots – www.YourCardBalance.com (p.2)

Stored Value Card Report - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Home Links Allakhz WoWDark WoWGen Thot WoW NMC Tasks CL Nox

Address <http://www.yourcardbalance.com/default.asp> Go

Stored Value Card Report

Card Number **2066** 0100

Card Type Gift Card

Card Status Active

Card Balance **\$40.63**

[← Enter Another Card](#)

National Merchant Center, Inc.
8855 Research Drive,
IRVINE, CA 92618

Card Transactions (latest on top)

Date/Time	TransType	Amount	Result	Clerk	Location
6/24/2005 12:45:16 PM	Sale	-\$46.91	APPROVED	1212	IR VINE, CA
6/24/2005 12:44:34 PM	Balance Inq	-	APPROVED	-	IR VINE, CA
5/14/2005 1:08:51 PM	Sale	-\$109.46	APPROVED	1212	IR VINE, CA
5/14/2005 1:08:01 PM	Balance Inq	-	APPROVED	-	IR VINE, CA
3/24/2005 11:49:54 AM	Sale	-\$31.45	APPROVED	1212	IR VINE, CA
3/24/2005 11:49:08 AM	Balance Inq	-	APPROVED	-	IR VINE, CA
9/9/2004 4:21:27 PM	Sale	-\$41.70	APPROVED	1212	IR VINE, CA
8/5/2004 4:12:04 PM	Sale	-\$61.36	APPROVED	1212	IR VINE, CA
8/5/2004 4:11:17 PM	Balance Inq	-	APPROVED	-	IR VINE, CA
7/16/2004 11:13:51 AM	Balance Inq	-	APPROVED	-	IR VINE, CA
7/16/2004 11:11:55 AM	Return	\$331.51	APPROVED	1212	IR VINE, CA
5/22/2004 2:58:15 PM	Sale	-\$46.90	APPROVED	1212	IR VINE, CA
5/22/2004 2:12:52 PM	Balance Inq	-	APPROVED	-	IR VINE, CA
8/26/2003 2:28:35 PM	Recharge	\$46.90	APPROVED	1212	IR VINE, CA
8/22/2003 4:43:31 PM	Sale	-\$160.16	APPROVED	1212	IR VINE, CA
8/22/2003 4:36:23 PM	Balance Inq	-	APPROVED	-	IR VINE, CA
2/11/2003 7:53:53 AM	Recharge	\$160.16	APPROVED	1212	IR VINE, CA
2/10/2003 10:49:32 AM	Sale	-\$75.00	APPROVED	1212	IR VINE, CA
2/10/2003 10:47:57 AM	Balance Inq	-	APPROVED	-	IR VINE, CA

Done Internet

The site is customized with the merchant's logo and contact information to continue to market their business. This screen shot shows the customer's activity and card balance. This page is to keep track of the card balance so they know how much the card is worth at any time.



Gift Cards - Frequently Asked Questions

Q: How does a gift card work?

A: Customers purchase the card with cash, check or credit card for any dollar amount the merchant approves. The merchant holds the upfront payment while the card purchaser or the gift recipient can make purchases at the merchant's location. The processing of the gift card is very similar to processing credit and debit cards.

Q: Will the merchant be able to use their existing credit card processing equipment?

A: In many cases yes. We are already compatible with the Nurit 2085, The Trans 330, 380, 460 and the Verifone 3750. We continue to expand the list of terminals that are compatible with our program.

Q: Can a customer add value to a card?

A: Yes. This is called reloading a card. Customers may reload the card with the merchant using any form of payment.

Q: When should cards be reordered?

A: Merchants should always be aware of their card inventory and stock up well ahead of anticipated peak seasons.

Q: How do I make a purchase with my gift card?

A: This is very similar to using a credit card. At the time of purchase, the customer will give the card to the cashier much like a credit card transaction. Each time the card is used, the amount is automatically deducted from the card balance which is held by the merchant. Spending is limited to the amount on the card until reloaded. Approximately 10% – 15% of the value of the card is never redeemed.

Q: What if I want to purchase an item that costs more than the balance on my card?

A: You will need to use a second method of payment to cover the balance. When making the purchase, tell the cashier how much value to deduct from the gift card.

Q: How long can I use my gift card?

A: You can make purchases using the card until the balance is gone. Then you can reload the card to make additional purchases or provide the gift to someone else.



Terminals Supported

National Merchant Center (NMC) currently supports a number of well respected and widely used terminals. NMC continues to expand on the number of supported terminals as well as proprietary hardware devices. If there is a terminal that is not supported, please ask us if it is in the queue and if necessary, NMC's IT team can expedite the process to certify the appropriate terminals.

Currently supported terminals:

- Nurit 2080
- Nurit 2085
- Nurit 2085+
- Dassault Talento AT
- Dassault Talento 2U
- Dassault Talento 2D
- Verifone 3750
- Trans 330
- Trans 380
- Trans 380x2
- Trans 420
- Trans 460



In development queue:

- Nurit 8000
- Exadigm Mobile Mate 2
- Hypercom T7+
- Hypercom T4100



Card Production Procedures

- 1) Complete the "Design Request Form" or choose one of Generic Designs.
- 2) Graphic design team will create an electronic/paper proof which will be sent to merchant and agent.
- 3) Merchant approves the proof in writing either by email or fax.
- 4) Submit "Stored Value Order Form".
- 5) Cards will be submitted for production once steps above are complete.

Contact Information

Stored value cards and graphic design questions: **cards@nationalmerchant.com**

Fax applications to: **(949) 265-9053**



Generic Card Designs

Design 1



Design 5



Design 2



Design 6



Design 3



Design 7



Design 4



Design 8





Industry Related Card Designs

Design 9



Design 13



Design 10



Design 14



Design 11



Design 15



Design 12



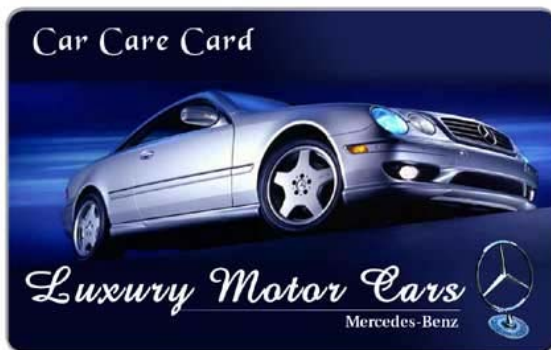
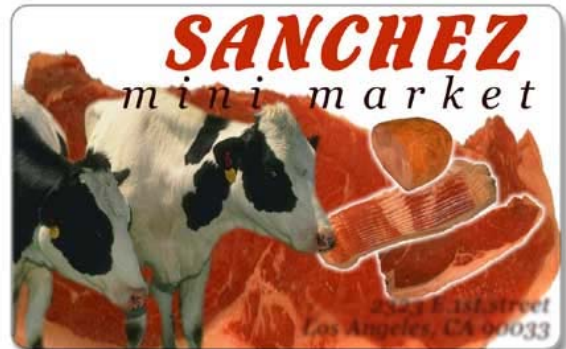
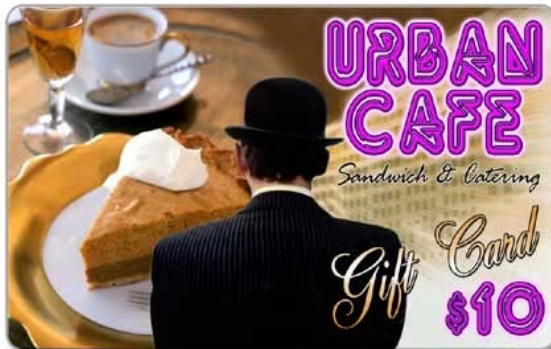
Design 16





Samples of Custom-Designed Gift Cards

Trademarks, logos and images are property of their respective owners.





Card Merchandising Accessories

To help merchant advertise and distribute Gift Cards we offer the following accessories:

①

**L-Shaped 8"x11" Stand
with card pocket**

(with custom or generic paper insert)

**Standalone
Card Box**

②



**Self Folding Card Carrier
White Background
with Gold Print**

Folded size: 4.25"x3.25"

③



Gift Cards

#1 Gift Choice!

Powered by

NATIONAL MERCHANT CENTER



BENEFITS & FEATURES

Gift cards increase revenues, advertise your business and build customer loyalty.

Gift Cards Are The Perfect Gift!

- #1 gift choice year round
- Over 140 million US adults purchased or received a Gift Card last year alone
- 56% of card recipients exceeded card limit (so they bought even more)
- Unused balance on the cards sits in your bank!

"Before offering gift cards, I thought I was too small to benefit from this. Now I can compete with the big boys." Five Star Pharmacy

"It is a chain reaction, our regular customers gave our deli card to their friends and now we are proud to serve them all." Brothers Deli

Gift Cards: So Easy!

- Turn refunds into revenues
- Personalize cards with your logo and custom design
- Integrate into your business with no effort
- 24/7 online access to comprehensive reporting
- Reduce fraud - cards have no value until activated by merchant



- #1 Gift For Any Occasion
- No Investment of Time or Money
- Cash Upfront
- Custom Card Designs
- 24/7 Online Reporting

Begin offering Gift Cards today!



CARD DESIGN REQUEST FORM

Inside:

- 2 page Form to fill out
- Sample how to fill out form (2p)

- Print out pages 1 and 2;
- Complete pages 1 and 2 and send it by fax:
Fax (949) 265-9053
- Or e-mail completed form/artwork to:
cards@nationalmerchant.com

Card Design Request Form

page 1 of 2

PLEASE PRINT CLEARLY ALL INFORMATION BELOW

GENERAL INFO

Complete form and send it by fax:

Fax (949) 265-9053

Request Date: / /
MONTH / DATE / YEAR

Whom to contact regarding design:

☐ Merchant

☐ Agent

Whom to ship/email sample cards to:

☐ Merchant

☐ Agent

Agent's Name:

Agent's ID:

Merchant Contact:

Contact's Phone#:

E-mail address: @

☐ Check if you would like e-mail ONLY

Shipping Address:

NMC WILL SHIP 2 SAMPLE CARDS TO ONE ADDRESS SHOWN ABOVE

CARD INFO (to be shown on the card)

Card Name: ☐ Don't print any name on card

NAME YOUR PRIVATE DEBIT CARD YOURSELF. EX: Gift Card, Lunch Card, V.I.P. Card, Preferred Customer Card, etc.

Denomination: ☐ Variable \$

YOU CAN SPECIFY VALUE TO BE SHOWN ON CARD OR MAKE IT VARIABLE (PUT ANY AMOUNT AT THE TIME OF ACTIVATION)

Business Name: ☐ Don't include the name on card

WRITE BUSINESS NAME ABOVE EXACTLY HOW YOU LIKE IT TO BE PLACED ON CARD

Business Type: PLACE ON THE: ☐ Back ☐ Front

BRIEFLY DESCRIBE PRODUCTS AND SERVICES. **example:** Merchant services, terminal sales.

Business Slogan: PLACE ON THE: ☐ Back ☐ Front

PROVIDE ONLY IF NEEDS TO BE PLACED ON THE CARD

Address: PLACE ON THE: ☐ Back ☐ Front

PROVIDE ONLY IF NEEDS TO BE PLACED ON THE CARD

Phone #: PLACE ON THE: ☐ Back ☐ Front

PROVIDE ONLY IF NEEDS TO BE PLACED ON THE CARD

Website: ☐ Not exist ☐ Don't know PLACE ON THE: ☐ Back ☐ Front

PROVIDE IF EXISTS OR KNOWN TO AGENT

LOGO: ☐ Attached ☐ Does not exist ☐ Use from web site

PLEASE ATTACH EXISTING LOGO TO THIS FORM



NATIONAL MERCHANT CENTER
The only center for all your merchant needs.

Copyright 2000-2005 National Merchant Center. All rights reserved.

8855 Research Drive, Irvine, CA 92618
Tel: (949) 419-8400 Fax: (949) 265-9053
www.nationalmerchant.com

PLEASE PRINT CLEARLY ALL INFORMATION BELOW

DRAW NECESSARY SIMPLE COMPOSITE DESIGN

FRONT SIDE FULL COLOR

You may e-mail all additional artwork to: cards@nationalmerchant.com

PROVIDE NECESSARY COMPOSITE DRAWING, IF NOT - DESIGNER WILL OFFER AN IDEA

DRAW PROJECT HERE:

THE RESULT DESIGN:

ANY ADDITIONAL CREATIVE PROPOSALS ABOUT FRONT SIDE DESIGN (Front side available in full color):

BACK SIDE B & W ONLY

PROVIDE NECESSARY COMPOSITE DRAWING, IF NOT - GENERIC INFO WILL BE PRINTED

DRAW PROJECT HERE:

RECOMMENDED DESIGN:

Service provided by National Merchant Center www.nationalmerchant.com	
MAGNETIC STRIPE	
NMC 8855 Research Dr., Irvine, CA 92618 Tel. (949) 419-8400	0000 0000 0000 0000 Your Card is redeemable for purchases only at the National Merchant Center . This card cannot be redeemed for cash. To use simply present this card. The value of your purchase will be deducted or added to the card's present value. Card may be used/recharged multiply times until value is fully depleted. Please safeguard your card; it is not replaceable if lost or stolen. Thank you for visiting us!

ANY ADDITIONAL CREATIVE PROPOSALS ABOUT BACK SIDE DESIGN (Available in black & white colors only):

Print Name
and Sign:

WILL NOT PROCEED IF NOT SIGNED

Example of Card Design Request Form

page 1 of 2

PLEASE PRINT CLEARLY ALL INFORMATION BELOW

GENERAL INFO

Request Date: 10 / 24 / 2005
MONTH DATE YEAR

Whom to contact regarding design: ☐ Merchant ☒ Agent

Whom to ship/email sample cards to: ☐ Merchant ☒ Agent

Agent's Name: Michael Smith Agent's ID: 20585

Merchant Contact: John Mercanto Contact's Phone#: (818)718-9555

E-mail address: msmith @ yahoo.com ☒ Check if you would like e-mail ONLY

Shipping Address: on NMC file.

NMC WILL SHIP 2 SAMPLE CARDS TO ONE ADDRESS SHOWN ABOVE

CARD INFO (to be shown on the card)

Card Name: Gift Card ☐ Don't print any name on card
NAME YOUR PRIVATE DEBIT CARD YOURSELF. EX: Gift Card, Lunch Card, V.I.P. Card, Preferred Customer Card, etc.

Denomination: ☐ Variable \$ 50
YOU CAN SPECIFY VALUE TO BE SHOWN ON CARD OR MAKE IT VARIABLE (PUT ANY AMOUNT AT THE TIME OF ACTIVATION)

Business Name: National Merchant Center ☐ Don't include the name on card
WRITE BUSINESS NAME ABOVE EXACTLY HOW YOU LIKE IT TO BE PLACED ON CARD

Business Type: Merchant services, terminal sales.
BRIEFLY DESCRIBE PRODUCTS AND SERVICES. example: Merchant services, terminal sales.

Business Slogan: The only center for all your merchant needs. ☐ PLACE ON THE: ☒ Back ☐ Front
PROVIDE ONLY IF NEEDS TO BE PLACED ON THE CARD

Address: 8855 Research Dr.,
Irvine, CA 92618 ☐ PLACE ON THE: ☒ Back ☐ Front
PROVIDE ONLY IF NEEDS TO BE PLACED ON THE CARD

Phone #: 949 419-8400 ☐ PLACE ON THE: ☒ Back ☐ Front
PROVIDE ONLY IF NEEDS TO BE PLACED ON THE CARD

Website: http://www. nationalmerchant.com ☐ Not exist ☐ Don't know ☐ PLACE ON THE: ☒ Back ☐ Front
PROVIDE IF EXISTS OR KNOWN TO AGENT

LOGO: ☒ Attached ☐ Does not exist ☐ Use from web site
PLEASE ATTACH EXISTING LOGO TO THIS FORM



NATIONAL MERCHANT CENTER
The only center for all your merchant needs.

Copyright 2000-2005 National Merchant Center. All rights reserved.

8855 Research Drive, Irvine, CA 92618
Tel: (949) 419-8400 Fax: (949) 265-9053
www.nationalmerchant.com

PLEASE PRINT CLEARLY ALL INFORMATION BELOW

DRAW NECESSARY SIMPLE COMPOSITE DESIGN

FRONT SIDE FULL COLOR

You may e-mail all additional artwork to: cards@nationalmerchant.com

PROVIDE NECESSARY COMPOSITE DRAWING, IF NOT - DESIGNER WILL OFFER AN IDEA

DRAW PROJECT HERE:

BUSINESS
NAME / LOGO

GIFT CARD
\$50

TERMINAL
PIC

WWW

THE RESULT DESIGN:

NATIONAL MERCHANT CENTER
The only center for all your merchant needs.

GIFT CARD
\$50

www.nationalmerchant.com

ANY ADDITIONAL CREATIVE PROPOSALS ABOUT FRONT SIDE DESIGN (Front side available in full color)

I include Nurit terminal pic, NMC logo - green with purple letters, etc...

BACK SIDE B & W ONLY

PROVIDE NECESSARY COMPOSITE DRAWING, IF NOT - GENERIC INFO WILL BE PRINTED

DRAW PROJECT HERE:

BUSINESS
NAME / LOGO

ADDRESS

PHONE

NOTE

Thank for . . .

RECOMMENDED DESIGN:

Service provided by National Merchant Center www.nationalmerchant.com

MAGNETIC STRIPE

0000 0000 0000 0000

NMC

8855 Research Dr.,
Irvine, CA 92618

Tel. (949) 419-8400

Your Card is redeemable for purchases only at the **National Merchant Center**. This card cannot be redeemed for cash. To use simply present this card. The value of your purchase will be deducted or added to the card's present value. Card may be used/recharged multiply times until value is fully depleted. Please safeguard your card; it is not replaceable if lost or stolen.

Thank you for visiting us!

ANY ADDITIONAL CREATIVE PROPOSALS ABOUT BACK SIDE DESIGN (Available in black & white colors only):

no comments, see drawing

Print Name
and Sign:

Michael Smith

WILL NOT PROCEED IF NOT SIGNED



NATIONAL MERCHANT CENTER

8855 Research Drive, Irvine, CA 92618

Tel.(949) 419-8400 Fax.(949) 265-9053

ART WORK FINAL PROOF

FRONT SIDE OF THE CARD



Corrections, if any: _____

No corrections to front side.

BACK SIDE OF THE CARD



Corrections, if any: _____

Change phone number to (800)662-8448,
everything else is correct.

THIS IS YOUR FINAL PROOF READ IT CAREFULLY!

It is submitted for your approval as to style, typographical corrections, type and grade of colors and fonts, layout and quality of the pictures, etc. Read, check it carefully and indicate any errors found.

NOTE: Actual color match and quality on the plastic card may differ from the paper proof because of the difference in printing processes.

WE ARE NOT RESPONSIBLE FOR ANY ERRORS NOT INDICATED AT THIS TIME.

Please Sign and Bring, Mail or Fax this Proof to us. When ordering more than 100 cards, no Fax copy of color proof is accepted; please send it or bring it to us. Thank you for your business.

☐ PROOF IS O.K. AND PRINT

☒ PROOF IS O.K. WITH INDICATED CORRECTIONS AND PRINT

Plastic Card / NMC

12/25/2005

Job Name / Customer Name

Signature

Signed by (please print name)

Date

STORED VALUE CARD AGREEMENT



NATIONAL MERCHANT CENTER
"The only center for all your merchant needs."

8855 Research Drive, Irvine, CA 92618
Tel: (949) 419-8400 Fax: (949) 265-9053

MERCHANT INFORMATION

☐ New Merchant

☐ Add Location ☐ Add Terminal ☐ Add Card Program
☐ Change Card Program ☐ Add New Card Type

PRIMARY
NMCID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

DBA _____ Legal Name _____

Company Address _____ City _____ State _____ ZIP _____

Company Phone (____) _____ Store# _____ of _____ locations

Principal Name _____ Principal SS# _____

Principal E-mail _____ Principal Phone (____) _____

GIFT CARD

☐ Gift Card "Express Package"

For \$129 receive 100 custom gift cards, a merchandising package and 1st month of processing. Thereafter pay \$29 per month for up to 2,400 transactions a year. See details in Section 6 (reverse side).

☐ Gift Card Program

Gift Card per transaction fee _____ \$ _____

Monthly statement fee \$10.00 Returned ACH fee (NSF, etc.) \$25.00

TECHNICAL INFO

Terminal: ☐ GiftCard Only ☐ Integrated with NMC credit/debit processing ☐ Integrated with other processor _____ (SPECIFY NAME OF COMPANY)

Terminal provided by: ☐ NMC ☐ Agent ☐ Merchant

Terminal Brand/Model _____ Connection Type: ☐ Dial-up ☐ IP-based ☐ Web-based

Terminal Serial Number _____ PBX Access Line? ☐ No ☐ Yes # _____

Server/Clerk IDs? ☐ No ☐ Yes

NAME				CODE				NAME				CODE				NAME				CODE			

MERCHANDISE

☐ New Design/Redesign

☐ Reorder

Attach Design Request Form for new or modified designs.

Specify Card Name when reordering existing design w/o changes ("Regular", "Holiday Card")

(OTHER... SPECIFY Q-TY & PRICE PER ITEM) \$ _____ TOTAL

(OTHER... SPECIFY Q-TY & PRICE PER ITEM) \$ _____ TOTAL

(OTHER... SPECIFY Q-TY & PRICE PER ITEM) \$ _____ TOTAL

Gift Cards Production _____ x \$ _____ = \$ _____
Q-TY PER CARD TOTAL

Card Artwork Design _____ \$ _____

Merchandise Subtotal \$ _____ Taxes _____ % \$ _____

(OTHER... SPECIFY Q-TY & PRICE PER ITEM) \$ _____ TOTAL

Shipping Charges \$ _____ **GRAND TOTAL \$** _____

AUTHORIZATION

BANK _____

ROUTING # _____

ACCOUNT # _____

MERCHANT hereby authorizes NMC in accordance with this MERCHANT Processing Agreement to initiate debit/credit entries to MERCHANT'S bank account, indicated here. The authority is to remain in full force and effect until (a) NMC has received written notification from a MERCHANT of its termination in such a manner as to afford NMC reasonable opportunity to act on it; and (b) all obligations of MERCHANT to NMC that have arisen under this Agreement have been paid in full. This authorization extends to such entries in such account concerning processing fees, lease, rental or purchase agreements for POS terminals and/or accompanying equipment and amounts due for supplies and materials.

VOIDED CHECK FROM ACCOUNT INDICATED ABOVE MUST BE ATTACHED WITH THIS AGREEMENT

ACCEPTANCE

By signing below I hereby agree to the terms and conditions stated in the **front** and **back** of this merchant processing agreement and certifies that all information provided is true correct, and complete. I am authorizing NMC, any credit bureau or any credit reporting agency employed by NMC to investigate the references given or any other statements or data obtained from MERCHANT, or any of the undersigned principals, for the purpose of this application for accompanying POS terminal(s) or equipment financing.

AGREED AND ACCEPTED:

DATE SIGNATURE PRINT NAME

PERSONAL GUARANTEE

FOR VALUE RECEIVED, and in consideration of the mutual undertaking contained in this MERCHANT PROCESSING AGREEMENT by and between the Merchant and NATIONAL MERCHANT CENTER (NMC), the undersigned jointly and severally, individually and on behalf of the marital community, unconditionally and irrevocably guarantee to NMC and its successors and assigns the full and prompt payment when due of all the obligations of every kind and nature of MERCHANT arising directly or indirectly out of the Agreement or any document or agreement executed and delivered by MERCHANT in accordance with the terms of the Agreement. The undersigned further agree to pay to the NMC all expenses (including attorney's fees and court costs) paid or incurred by the NMC in collecting such obligations, and in enforcing this Guarantee.

AGREED AND ACCEPTED:

DATE SIGNATURE PRINT NAME

OFFICE USE ONLY

NMC ID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Date Received ____/____/____ Office ID _____

Date Completed ____/____/____ Agent ID _____

STORED VALUE MERCHANT AGREEMENT FOR ELECTRONIC AUTHORIZATION AND PAYMENT Terms And Conditions

This Stored Value Merchant Agreement for Electronic Authorization and Payment ("Agreement") sets forth the Rules, Policies and Procedures to which International Bankcard Services, dba National Merchant Center ("NMC") is willing to provide, the services set forth in the stored value agreement to the Merchant.

1. **SERVICES.** Merchant must obtain authorization for all transactions that are submitted to NMC. An authorization only indicates the availability of credit on an account at the time that the Authorization is requested. Authorization may be by voice over telephone only if the POS Terminal is not operating. There is a charge for voice authorizations if POS Terminal is operable but not used. In the event NMC authorizes the transaction by voice, it will transmit an Authorization code, which must be written on the Sales Draft. Merchant will provide and store all relevant information for authorization and payment. Merchant will also be responsible for the accuracy and adequacy of all data transmitted by it or on its behalf for processing by or storage of information that is collected.
2. **PAYMENT.** NMC will pay Merchant through the automated clearing house (ACH) system for authorized transactions. As payment for its services, NMC will deduct charges from the authorized transactions as set out on Merchant order form, which may be changed from time to time at the sole discretion of NMC upon notice to Merchant. Charges will include a daily ACH transaction fee. NMC will not be liable for any delays in receipt of funds or errors in credit or debit entries caused by third parties, including, but not limited to any Association or merchant's financial institution. NMC are authorized for at least 180 days after termination of this Agreement, or at NMC's discretion, for a longer period as determined by NMC in the exercise of reasonable discretion to satisfy Merchant's obligations hereunder. To secure all obligations of Merchant to NMC arising from this agreement, merchant hereby grants NMC a security interest in all deposits and funds, regardless of source, whether in merchant's designated account or in other bank accounts, and all proceeds of said deposits. Said security interest may be offset or otherwise exercised by NMC without notice or demand of any kind by making an immediate withdrawal from or freezing said account. The exercise of this security interest shall be in addition to any other rights of NMC under this agreement or applicable laws.
3. **SYSTEM DOWN.** The merchant agrees that in the event the card system to authorize and settle transactions is not able to verify and approve transactions, NMC will not process transactions. Merchant acknowledges that NMC shall not be responsible for lost profits or sales if the system is down. Merchant agrees that it will be solely responsible for any transactions that are authorized by merchant without the knowledge or written consent of NMC and will indemnify and hold harmless NMC for any damage, loss, liability, expense, claim, or other action.
4. **WARRANTIES AND REPRESENTATIVES.** In no event shall NMC, our affiliates, officers, employees, directors, agents, subcontractors or any other affiliates, be liable under any theory of tort, contract, strict liability or other legal theory for lost profits, lost revenues, lost business opportunities, exemplary, punitive, special, incidental, indirect or consequential damages, each of which is hereby excluded by agreement of the parties, regardless of whether such damages were foreseeable or whether any party or any entity has been advised of the possibility of such damages. Merchant warrants and represents that each transaction to NMC represents a valid obligation for the amount or value set forth therein, is not subject to any disputes, set offs, or counterclaims, is valid in form and complete on its face in accordance with instructions described above. Merchant further warrants that merchandise has been delivered and/or services rendered to the Customers in satisfaction of the underlying obligation. Merchant represents and warrants that Merchant accepts full responsibility to reimburse or otherwise repay NMC for any and all transactions resulting in a charge-back, debit, or funds shortage of any type. Merchant authorizes and grants NMC full discretion to establish a chargeback reserve by debiting Merchant's incoming transactions or other funds of Merchant in NMC's control. In addition, and without holding limiting the foregoing, Merchant authorizes NMC to debit or draft funds of the account designated by Merchant on the Merchant data sheet or otherwise ("Account"), and grants NMC a lien and security interest in the Account for the purpose of collecting amounts which NMC determines to be due to or from Merchant in connection with this Agreement. NMC's security interest in the Account shall continue until NMC notifies the institution holding the account of the termination of its security interest.

Notwithstanding anything in this merchant agreement to the contrary, our cumulative liability for all losses, claims or any cause whatsoever and regardless of the form of action or legal theory shall not exceed (i) \$25,000 or (ii) amount of fees net discount amount received by us pursuant to the merchant agreement for services performed in the immediately preceding six (6) months, whichever is less.

5. **FRAUDULENT SALES/FACTORING:** MERCHANT shall not present to NMC, directly or indirectly, any sales slip or transaction record (i) that MERCHANT knows or exercising reasonable care should have known to be fraudulent or not authorized by the cardholder, (ii) that results from a transaction outside MERCHANT'S normal course of business as described in the Merchant Application, (iii) that results from processing or credit, directly or indirectly, of a transaction not originated as a result of an act directly between a cardholder and the MERCHANT. Should MERCHANT violate any provision in this paragraph, the Agreement with MERCHANT may be immediately terminated by NMC without notice, with all funds otherwise due MERCHANT placed on hold for not less than 180 days. NMC may withhold any payments to MERCHANT that have resulted from fraudulent, suspect, or other questionable transaction.

6. GIFT AND LOYALTY CARD PROCESSING INTEGRATED INTO FOREIGN "Front End Processor" TERMINAL APPLICATION:

- A) Merchant Responsibilities: Merchant shall notify National Merchant Center's customer service department of any modifications to terminal software after the date of installation of NMC's gift card functionality on Merchant's terminal when merchant is processing Visa, MasterCard, American Express, Discover and Debit card transactions on "Foreign Front End Processor.
- B) Limitation of Liability: Merchant shall hold NMC harmless for any problems arising due to inaccurate processing of Visa, MasterCard, American Express, Discover and Debit card transactions. The accurate processing of these transactions is the responsibility of the specific front end processor who has contracted to provide that service.

7. **FEE/RATE ADJUSTMENTS:** Transaction fee shall mean a fee charged on each sales slip and each credit slip regardless of the total stated. NMC shall have the right to adjust charges as necessary to offset any direct or indirect increase to NMC in the costs of providing the services hereunder including but not limited to increases in the costs of living index or due to changes in rules, regulations, or operating procedures of Associations or any additional requirement imposed by any federal or state governmental agency or regulatory authority, or due to any increase in communication costs charged to NMC by communications common carriers. Such increases shall, without prior notice, become effective as of the date of change. The Gift Card Express Package entitles the Merchant to 200 monthly transactions (which equals 2400 per year); there is a \$0.40 per transaction fee for each transaction that exceeds monthly limit.

8. **RECORDS.** Merchant agrees to furnish NMC with such financial or other information about Merchant's business as may be necessary from time to time. NMC shall have the right to verify all sales and to examine Merchant's books, records, and other papers relative to transaction records delivered to NMC.

9. **DATA SECURITY.** NMC and merchant will each safeguard all data relating to the other's business or to the business of customers obtained pursuant to this agreement or the transactions contemplated hereby, to the extent that it safeguards data relating to its own business, unless such data was otherwise available to the public or was already in its lawful possession or was rightfully obtained by it from others. Irrespective of how said data was obtained, the parties shall safeguard such data to the full extent required by law.

10. **TERMS.** This agreement shall become effective upon acceptance by NMC and shall continue in full force and effect for a period of 3 years from the date signed herein (referred to as the initial term). Hereafter, the Agreement will automatically renew for additional one-year periods (referred to as the renewal term) unless terminated by any party upon thirty (30) days written notice before the expiration of the initial term or any renewal term. Merchant understands that NMC has undertaken significant implementation costs and investment costs, which are amortized over the term of this Agreement. In consideration of these costs and the pricing structure offered in this Agreement, Merchant agrees to pay liquidated damages to NMC, in addition to all other amounts owed by Merchant to NMC, if Merchant elects early termination of this Agreement. The liquidated damages for early termination shall be \$275. These liquidated damages are due and payable in a lump sum upon the date of cancellation of the Agreement. You agree that the early termination fee is not a penalty, but rather is reasonable in light of the financial harm caused by your early termination. The undersigned further agree to pay to the NMC all expenses (including attorney's fees and court costs) paid or incurred by the NMC in collecting such obligations.

11. **MISCELLANEOUS.** This Agreement shall become effective when accepted by NMC and shall remain in effect until notice of termination shall have been provided to the other party in accordance with paragraph 9. Notice shall be deemed to have been duly given when mailed to the party at the address given below or otherwise provided. Notwithstanding the foregoing provision, NMC has the right to terminate this Agreement immediately and without notice in the event that Merchant breaches this Agreement. Termination of this Agreement shall not effect any obligation assumed or incurred by Merchant and existing as of the date of termination. Following termination of this Agreement, Merchant shall no longer honor Cards or use any of the materials issued under this Agreement. Merchant expressly agrees to pay NMC on demand any and all indebtedness incurred pursuant to this Agreement and costs and/or expenses which may be incurred by NMC in any attempt to enforce any provision of this Agreement or to collect any indebtedness incurred pursuant to this Agreement, including but not limited to court costs and all expenses and reasonable attorney's fees. This Agreement cannot be assigned to any party by Merchant, but will be binding upon and insure to the benefit of any heirs, representatives, or successors. This Agreement may be amended at any time by NMC upon written notice to Merchant. This Agreement shall be construed and enforced in accordance with the internal laws of the State of California without reference to choice of law rules. Any legal action, including an original complaint or third party claim, by or in the right of any party to this Agreement or any action arising under or related to this Agreement, including but not limited to a claim for payment under the Agreement, and also including any non-contract claim, shall be brought and maintained exclusively in a state or federal court of competent subject matter jurisdiction in Orange County, California, and the parties hereby submit themselves to the personal jurisdiction and venue of those courts for the purpose of any such action and hereby waive any defense related to personal jurisdiction, process of venue brought in those courts.

11.1 Notwithstanding the foregoing or anything contained herein to the contrary, NMC shall not be liable for nonperformance, delays or loss or damage caused by or resulting from: (A) Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack: (1) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or (2) by an agent of any such government, power authority or forces; (B) Any weapon or war employing atomic fission or radioactive force whether in time of peace or war; (C) Insurrection, rebellion, revolution, Civil War, usurped power, or action taken by government authority in hindering, combating or defending against such occurrence, or confiscation by order of any government or public authority. (D) Merchant acknowledges and agrees that it is Merchant's sole responsibility to comply with any and all Laws and Payment Network Regulations governing the issuance, use, and acceptance of gift certificates or gift cards (e.g., laws regarding expiration and unclaimed funds).

11.2 Acknowledgement of Ownership of System. USER acknowledges that it does not own any of the programs or processes of NMC which are covered by this Agreement. USER further acknowledges that it has no right to use any service mark of NMC or any of the new works involved unless approved by NMC in writing. The merchant will make no attempt to duplicate or otherwise obtain the components, processes, logic, source code or otherwise attempt to reverse engineer any equipment or software provided by NMC.

11.3 Merchant permits NMC the right to use the Merchant's name, logo, trademark, service marks or any other proprietary information of merchant or its affiliates in any advertising, promotional, or instructional material provided by or for NMC.

11.4 Waiver. Any delay or failure of either party hereto at any time to require performance by the other party of any provision of this Agreement shall in no way affect the right of such party to require performance of that or any other provision, and any waiver by either party of any breach of any provision of this Agreement shall not be construed as a waiver of any subsequent breach of any provision, a waiver of this provision itself or a waiver of any other right under this Agreement.

11.5 Severability. If any of the provisions of this Agreement are deemed or held to be invalid under any applicable statute or rule of law, they are, to that extent, to be deemed omitted, but in that event, all other provisions shall remain valid and in full force and effect.

11.6 Section Heading. Section heading are used for convenience only and in no way limit or alter the terms of this Agreement.

11.7 Integration and Governing Law. This Agreement constitutes the entire Agreement between USER and NMC and supersedes all proposals oral or written and all other communications oral or written between the parties relating to the subject matter of this Agreement. Except as provided in Article 5.2, this Agreement may be modified only in writing signed by the Authorized Representatives of NMC and User. This Agreement shall be governed by the laws of the State of California.

11.8 Legal Expense. In the event suit is brought arising out of the performance of this agreement or any term or condition hereunder, the prevailing party to such litigation shall be entitled to all reasonable expenses incurred in said litigation including reasonable attorney's, accountant's fees and court costs from the other party.

11.9 The provisions of Section 10 shall survive the termination of this Agreement.